

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



Ag84 Pro

# 906  
THE 1969 VOLUNTARY FEED GRAIN AND WHEAT PROGRAMS

USDA  
NAT'L AGRIC LIBRARY  
JAN 18 1969  
7:51  
SUCCESSIONAL  
1969

This publication contains a general explanation of the 1969 Feed Grain Program and the Wheat Program for 1969, prepared especially for Agricultural Stabilization and Conservation Committeemen.

THE 1969 VOLUNTARY FEED GRAIN PROGRAM

The objective of the 1969 Feed Grain Program is to strengthen prices and income through the reduction of total supplies of feed grains. The 1969 program is virtually identical to the 1968 program, except that feed grains now include barley, in addition to grain sorghums and corn. Good weather and improved cropping practices in the United States and throughout much of the world during the past two years have led to world-wide increases in grain production. The Feed Grain Program for 1969 is designed to produce a crop about 3 to 5 million tons below estimated requirements, which will help bring about a more favorable balance between supply and demand and permit use of unneeded carryover stocks.

Diversion of 37 million acres of feed grains out of production should remove the threat of overproduction of livestock. At the same time, production will be sufficient to maintain grain exports and keep grain reserves at an adequate but not excessive level. Full use of the price-support loan program by producers will help firm up market prices for grain.

As in 1968, all farms taking part in the program may divert as little as 20 percent of their total feed grain base and qualify for price-support payments and loans.

For farms with feed grain bases of more than 25 acres, farmers may, after diverting 20 percent for no diversion payment to qualify as participants, divert additional acreage for diversion payment up to the larger of 25 acres or 50 percent of the feed grain base.

In general, farmers with feed grain bases of 25 acres or less have available a program very much like the program in 1968.

PRODUCER DECLARATION OF INTENTION

ASCS county offices will have forms on which producers declare their intention to take part in the program during the signup period which begins February 3 and ends March 21, 1969.





## FARM FEED GRAIN BASE

From information previously supplied by producers, ASC county committees have determined corn, barley and grain sorghum bases -- the total feed grain base. Projected farm yields and diversion rates of payment have also been determined, and producers will receive a notice of these determinations. This notice doesn't constitute a signup. Producers who want to take part must still file a statement of their intentions with the ASCS county office during the signup period. Intentions may be changed only during the signup period.

## THE FARM CONSERVING BASE

For each farm, the ASC county committee has determined a conserving base and each farm operator will be notified of this base. Cropland acres diverted from feed grain production to conservation uses under the 1969 feed grain program are to be in addition to the farm's established conserving base and any acreage diverted to conservation uses under other Federal programs.

## APPEALS

A farmer who feels there is an error or inequity in the yield, feed grain base, or conserving base established for his farm may, within 15 days from the date of the ASCS notice of the yield and bases, file a written request for reconsideration with the ASC county committee. If, after a decision is made by the county committee, the farmer still feels there is an error or inequity, the appeal may be filed with the ASC State committee. If still not satisfied, he may appeal to the Deputy Administrator for State and County Operations of the Agricultural Stabilization and Conservation Service.

## MINIMUM DIVERSION -- ALL PARTICIPATING FARMS

For the farmer to be eligible for any program benefits, the smallest acreage to be diverted from his feed grain base to an approved conservation use is 20 percent of the total farm feed grain base. This minimum diversion applies to all participating farms regardless of the size of the feed grain base. No diversion payments will be made for this minimum diversion, except for the small base farms -- the same as in the 1968.

## MAXIMUM DIVERSION

If the farm feed grain base is 25 acres or less, up to the entire base may be diverted for payment. If the feed grain base is more than 25 acres, up to the larger of 25 acres or 50 percent of the base may be diverted. If the feed grain base is more than 25 acres but not more than 125 acres, the



operator may, upon request to the ASC county committee, have the 1969 base temporarily adjusted to 25 acres so that the 25 acres may be diverted for payment. Under this option, no feed grains may be produced on the farm and there can be no substitution between wheat and feed grains.

#### LAND ELIGIBLE FOR DIVERSION

Generally, land may be designated as diverted acreage if it was cropland during 1968, and currently is classified as cropland capable of producing a crop under normal conditions. Payments may be reduced if the county committee determines that the average productivity of diverted land is substantially less than that of cropland normally devoted to the crop on the farm. Land may be declared ineligible for diversion if the county committee determines that it could not reasonably be used for the crops being diverted.

#### PERMITTED ACRES OF FEED GRAINS

Each participating farm will have a permitted acreage of one or more feed grains -- corn, grain sorghum and barley.

After the farm operator has decided how many acres of his feed grain base he will take out of production, that acreage is subtracted from his total farm feed grain base to obtain the acreage of feed grains permitted under his agreement.

The permitted acreage is the largest total acreage of corn, grain sorghum and barley that may be produced on a participating farm unless feed grains are substituted for wheat on farms taking part in both the feed grain program and the wheat program.

#### SUBSTITUTION OF WHEAT FOR FEED GRAINS OR FEED GRAINS FOR WHEAT

Producers who have signed up to participate in the wheat and feed grain programs and otherwise comply with each program may substitute feed grains for wheat, or wheat for feed grains, within the total acreage permitted under both programs.

The total permitted acreage can then be planted to one crop or split among the four crops in any combination the producer desires. Total production of each crop becomes eligible for price-support loan.





Producers who have signed up for additional diversion but substitute feed grain for wheat within the total permitted acreage of wheat and feed grain will earn diversion payment at the rate for the crop actually underplanted ... if the only underplanted crop is wheat, all diversion payment will be at the wheat rate.

#### SUBSTITUTION OF WHEAT FOR OAT-RYE

A producer who is eligible for an oat-rye base can request the ASC county committee to establish an oat-rye base for his farm. An adjustment is made to reflect the feed unit value per acre of oat-rye to wheat. By diverting 15 percent of the adjusted oat-rye base, the producer may plant wheat on the oat-rye permitted acreage but cannot grow corn, barley, or grain sorghum on that acreage. This minimum acreage is diverted without a diversion payment.

#### SUPPORT PRICES

The total price support for 1969 corn, grain sorghum, and barley is in two parts-- the loan rate and the price-support payment rate.

The national average loan rate for corn produced in 1969 is \$1.05 per bushel; for grain sorghum it is \$1.61 per hundredweight; and is 83 cents a bushel for barley. These rates vary among counties.

Price support for oats and rye at national average rates of 63 cents and \$1.02 per bushel, respectively, is available only through loans.

The price-support payment rate is 30 cents a bushel for corn; 53 cents a hundredweight (29.68 cents a bushel) for grain sorghum; and 20 cents per bushel for barley. The rates are the same in all counties.

The price-support payment to participants will be made on acreage planted for harvest up to the smaller of the permitted acreage or 50 percent of the base.

For purposes of the price-support payment, a participant who is signed up for the feed grain program and who plants at least 90 percent of his maximum acreage eligible for price-support payment will be considered as having planted his entire acreage eligible for payment.

#### DIVERSION RATES

As in 1968, on farms with total feed grain bases of 25 acres or less, a producer may divert for payment an acreage equal to at least 20 percent of the base or any greater acreage up to the entire base.



For these farms -- with feed grain bases of 25 acres or less -- the rate of payment for the first 20 percent of the base diverted will be about 44 percent of the rate for additional diversion.

Diversion of acreage in excess of the minimum of 20 percent of the total base will be at 45 percent of the total price-support (price-support payment rate plus county loan rate) times the farm's established yield.

For farms with a total feed grain base of more than 25 acres, the first 20 percent of the base diverted from production is the acreage needed to qualify as a participant and there is no diversion payment for that acreage.

Diversion of additional acres up to a total of the larger of 25 acres or one-half of the feed grain base is eligible for diversion payment at the 45-percent rate.

For farms with a total base of from 26 to 125 acres, the operator may request that the base be temporarily reduced to 25 acres. If he plants no feed grains, he will receive diversion payment on 5 acres at the 20-percent rate and on 20 acres at the 45-percent rate.

#### USE OF DIVERTED ACRES

The acreage diverted from production of feed grains under the program is to be devoted to approved conservation uses. Erosion, weeds, rodents, and insects are also to be controlled on diverted acres. The ASC county committee will prescribe additional control measures when those used are found to be inadequate.

Grazing of diverted acres will be permitted during winter months. In approved disaster areas, grazing during summer months may be authorized by the ASC county committee; however, a reasonable charge will be made for this privilege.

Certain crops in short supply can be produced on acres diverted in addition to the required 20-percent minimum, but the payment rate will be reduced. These crops are guar, sesame, safflower, sunflower, mustard seed, cràmbe, and plantago ovato.





## FAILURE TO CARRY OUT INTENTIONS

Failure to fully carry out the intentions as included in the signup agreement can result in the loss of part or all of the payment otherwise earned.

Producing more acres of feed grains than the permitted acres, within the allowable variation, will result in a reduction from the payment otherwise earned amounting to one and one-half times the county loan rate applied to the yield per acre for the farm for the acres in excess of the permitted acres.

For example: On a farm with a 100-acre feed grain base (all corn) the operator signed up to divert 20 acres, leaving a permitted acreage of feed grains (corn) of 80 acres. The price-support loan rate for the county is \$1.05. The average yield is 70 bushels. The operator devoted 20 acres to conserving uses in addition to the farm conserving base, but grew 82 acres of corn -- two more than the permitted acres, but within the allowed variation. The per-acre deduction in this case would be \$1.05 times 1.5 times 70 = \$110.25 per acre. With two acres excess, the total deduction would be 2 times \$110.25 = \$220.50.

## MEASUREMENT SERVICE AVAILABLE

Farmers who are participating in the feed grain program may request measurement of acreage intended to be planted and intended for diversion. Such measurement will help assure full compliance with the intention filed for the farm. Cost of this service may be paid in cash or may be deducted from payments earned under the program.

## DIVISION OF PAYMENTS

Diversion payments normally are divided as the producers agree and based upon the reduction which each producer makes below the average he would have grown in the absence of a program. However, each ASC county committee has the responsibility to satisfy itself that division of the diversion payment is fair. The price-support payment will be divided among producers as they share in the 1969 crop, unless a different division can be justified and is approved by the ASC State committee. Any failure to allow each producer to share equitably in program benefits can make a producer ineligible for all payments otherwise earned.

## FAILURE TO PRODUCE A CROP

Price support payments at announced rates times the farm projected yield may be earned when a crop is planted and cared for in a workmanlike manner but is lost due to weather or other uncontrollable causes. Likewise, these payments are earned if the farmer is prevented from planting a crop because of drought, flood, or other natural disaster. In either such case, the producer should check with the county office before diverting such land to a different crop.





# PRODUCERS WITH AN INTEREST IN MORE THAN ONE FARM

A producer with an interest in more than one farm may participate in the program on one farm and receive program benefits, provided the acreage devoted to feed grains does not exceed the farm feed grain base on any other farm in which he, his wife, or minor children have an interest. He cannot escape this requirement by leasing a farm to a tenant in any manner.

(This explanation is provided to help in the general understanding of the 1969 Feed Grain Program. It does not replace official instructions and regulations applicable to individual farm situations.)



## 1969 VOLUNTARY WHEAT PROGRAM

The goal of the 1969 Wheat Program is to strengthen prices from year-earlier levels through policies designed to balance production with anticipated domestic use and export.

To achieve the desired production, a national wheat allotment of 51.6 million acres was established, a reduction from 59.3 million-acre allotment in 1968. The 1969 allotment, together with a voluntary diversion program, should result in a crop of about 1.3 billion bushels, assuming average weather. This would be less than the 1968 crop, and would result in production that would be below estimated domestic and export use of about 1.4 billion bushels during the 1969-70 marketing year.

Two bumper world wheat crops in succession changed the world wheat situation from one of concern about adequate supplies to one of plentiful supplies. Exporting countries have more wheat for export and many importing countries need less wheat. The plentiful world supply has put pressure on export markets. This, coupled with a record U.S. wheat crop in 1968, has increased the U.S. supply of wheat. The 13 percent reduction in the 1969 national wheat allotment, together with the diversion program, is aimed at helping to reduce that supply.

The reduction in the national wheat allotment below 59.3 million acres requires as a condition for loan and certificate eligibility that an acreage equal to 15 percent of the allotment be diverted to conservation use. There is no payment for this required diversion. However, diversion payments will be made for diverting acreage from wheat below the farm allotment. Payments may be received for this additional diversion on up to 50 percent of the allotment. The per-acre payment for additional diversion is 50 percent of the county wheat loan rate multiplied by the farm's projected yield.

The 1969 program again provides for price support loans, marketing certificates, substitution between wheat and feed grains, and substitution of wheat for oats and rye.

### **VOLUNTARY**

The program remains voluntary, as it was in 1968. Any producer on a farm with a wheat allotment can participate in the program. Any farmer may grow wheat without taking part in the program.





## PRICE SUPPORT

The national average price support loan rate for wheat produced in 1969 will remain at \$1.25 per bushel. The loan rate varies from county to county. In addition, appropriate premiums and discounts will apply. Price support loans will be available for farm-stored and warehouse-stored wheat produced by farmers signed up and participating in the program, except for wheat that is stored in compliance with the "excess wheat provision."

## DOMESTIC MARKETING CERTIFICATES

Domestic wheat marketing certificates will be issued on an estimated 520 million bushels. The certificates will continue to be valued at the difference between wheat parity and the \$1.25 per bushel national average loan rate. (For 1968, domestic certificates worth \$1.38 per bushel were issued on 540 million bushels of wheat.)

By planting 43 percent of his allotment, and meeting other program requirements, a farmer can qualify for the maximum of certificates. Marketing certificate payments will reflect the projected yield on each farm times planted wheat acreage up to 43 percent of the farm acreage allotment. For example: A farm with a 100-acre wheat allotment and a projected yield of 27 bushels per acre would be eligible for domestic marketing certificates on 1,161 bushels if at least 43 percent of the wheat allotment is devoted to wheat. (43 acres times 27 bu. equals 1,161 bu.) (In 1968, when allotments were larger, domestic marketing certificates were issued on up to 40 percent of the projected production of the allotment.) As for feed grains, planting 90 percent of the maximum acreage eligible for certificates will earn full certificate payments for the farm.

## DIVISION OF PAYMENTS

Certificate payments will be divided among all producers on a farm as they share in the 1969 crop, unless a different distribution can be justified and is approved by the ASC State Committee. Any violation of this provision can make a producer ineligible for all payments otherwise earned. Diversion payments will be shared by producers on the same basis as described for feed grains.

## PROCESSORS PURCHASE CERTIFICATES

Processors purchase domestic marketing certificates to cover the number of bushels used in processing wheat for domestic food production. The price paid by the processor is the difference between the national average loan rate and \$2.00 a bushel. For 1969, that amount is 75 cents. If the income from the sale of certificates to processors is inadequate to cover the cost of wheat certificate payments to farmers, the difference is made up from CCC funds.



## SIGNING UP

There is no provision for automatic participation. The signup period for all wheat producers will be held concurrently with the signup period for the feed grain and cotton programs. Only those producers who sign up and participate in the program will be eligible for domestic marketing certificates, price support loans, and diversion payments.

## PROVISIONS APPLICABLE TO BOTH WHEAT AND FEED GRAIN PROGRAMS

The Farm Conserving Base -- see page 2 under the explanation of the feed grain program. One of the conditions of eligibility for benefits of the wheat program is the maintenance of this base in conserving uses. Substitution Among Wheat and Feed Grains - see pages 3 and 4 in the feed grain section of this booklet. This provision is identical to that for the 1966 program. Wheat for Oat-rye Provision - see page 4 of the feed grain section, which explains that this provision differs slightly from the 1966 program. Measurement Service - page 6, feed grain section. Failure to Carry Out Intentions - see page 6, feed grain section. Producers Who Have An Interest In More Than One Farm - see page 7 under feed grains. Failure To Produce A Crop - see page 6, feed grain section.

## EXCESS WHEAT -- STORAGE REQUIREMENTS

A wheat producer may, in 1969, sign up to overproduce his farm wheat allotment, store the excess, and become eligible for a price support loan and certificates providing he meets other program requirements. Under this option, the wheat acreage in excess of the allotment that may be planted cannot be more than 50 percent of the allotment. A bond is required unless the excess is warehouse stored at the producer's expense and the producer's warehouse receipts are filed in escrow with the ASC county committee. The excess production is not eligible for loan.

The stored production from the excess acres may be marketed in future years to the extent that farm wheat acreage is reduced below a future farm allotment or by producing a bushelage of wheat in a later year that is less than the projected production of the farm wheat allotment, or permitted acreage if applicable.





## PROGRAM BENEFITS

Farmers who sign up and qualify are eligible for price support loans on their entire wheat production, except any stored under the "excess wheat provision," will receive domestic marketing certificates on up to 43 percent of the projected production of the farm allotment and diversion payments based on 50 percent of the county wheat loan rate times the projected farm wheat yield for additional diversion below the farm allotment. Non-participants are ineligible for these benefits.

## TO PARTICIPATE

To qualify for the program a farmer must:

1. Sign up with the ASCS county office during the signup period, February 3, through March 21, 1969.
2. Divert to conserving uses an acreage equal to 15 percent of the farm wheat allotment, plus any additional acreage diverted for payments below the farm allotment.
3. Maintain the farm's conserving base.
4. Keep within all other farm allotments established for the participating farm.
5. Keep within the wheat allotment or permitted acreage on any other farm in which the producer has an interest.
6. If a producer elects to use the substitution provision, he must also sign up and participate in the feed grain program if the farm has a feed grain base or produce no corn, grain sorghum or barley if he has no feed grain base. Producer ineligible for all payments otherwise earned. Payment payable will be shared by producer on the same basis as described for feed grains.

## WHEAT PURCHASE CERTIFICATES

(This explanation is provided to help in the general understanding of the 1969 Wheat Program. It does not replace official instructions and regulations applicable to individual farm situations.)

For the 1969-1970 marketing year, the national average price for No. 2 hard red winter wheat is \$1.10 per bushel. If the producer's price is below this level, the difference will be paid to the producer by the ASCS. If the producer's price is above this level, the difference will be paid to the producer by the ASCS. The ASCS will also pay for the cost of processing and marketing the wheat. The ASCS will also pay for the cost of the wheat to the farmer, the difference being made up from ASCS funds.



